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12 International, Inc.

13 **UNITED STATES DISTRICT COURT**
14 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
15 **WESTERN DIVISION**

16 **CV12-10590** *SJO/Ex*

17 CASE NO.

18 Hon.
Courtroom

19 **DECLARATION OF
CHRISTINE COFFELT IN
SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
INJUNCTION**

20 Date:
21 Time:
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PLAYBOY ENTERPRISES
INTERNATIONAL, INC., a Delaware
corporation,

Plaintiff,

v.

PLAY BEVERAGES, LLC, a Delaware
limited liability company; CIRTRAN
BEVERAGE CORPORATION, a Utah
corporation; and CIRTRAN
CORPORATION, a Nevada corporation,

Defendants.

CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

12 DEC 11 AM 10:10

FILED

VENABLE LLP
2049 CENTURY PARK EAST, SUITE 2100
LOS ANGELES, CA 90067
310-229-9900

1 I, Christine Coffelt, declare as follows:

2 1. I am Senior Vice President, Global Licensing of Playboy Enterprises
3 International, Inc. ("Playboy"). In this capacity, I have developed institutional
4 knowledge of Playboy. I have personal knowledge of the facts set forth in this
5 declaration, and if called to testify, I could and would competently testify thereto.

6 2. Playboy is one of the most recognized and popular consumer brands
7 in the world. Playboy is a media and lifestyle company that markets the brand
8 through a wide range of media properties and licensing initiatives. The company
9 publishes *Playboy* magazine in the United States and abroad and creates content
10 for distribution via television networks, websites, mobile platforms and radio.
11 Through licensing agreements, the Playboy brand appears on a wide range of
12 consumer products in more than 150 countries as well as retail stores and
13 entertainment venues.

14 3. Playboy owns over 250 federally registered trademarks. These
15 include registrations for the word "PLAYBOY" and the Rabbit Head Design in
16 several categories, including Class 32, the category covering energy drinks (the
17 "Playboy Marks"). True and correct copies of the registrations for the Playboy
18 Marks are attached hereto as Exhibit A.

19 4. The Playboy Marks (as used in Class 32) have been in continuous use
20 since 2008, and the designation PLAYBOY and the Rabbit Head Design have been
21 in continuous use by Playboy with respect to other categories of goods and services
22 for decades.

23 5. Each year, Playboy spends millions of dollars advertising, promoting,
24 developing, and protecting its trademarks, including the Playboy Marks, which are
25 central to Playboy's success and the success of its United States and worldwide
26 licensees.

27 6. Through Playboy's extensive marketing efforts, media projects, and
28 product licensing initiatives, Playboy built substantial consumer good will

1 associated with the Playboy Marks.

2 7. Playboy uses or licenses others to use the Playboy Marks to promote
3 the Playboy brand and to market, advertise, and sell consumer goods and services.
4 Playboy's robust licensing program includes licensing in the category of beverages
5 in general and energy drinks specifically.

6 8. Playboy's brand recognition and the hundreds of trademarks that it
7 owns are its most valuable assets.

8 9. Play Beverages, LLC ("PlayBev") is a former licensee of Playboy. In
9 2006, PlayBev and Playboy entered into a license agreement, under which PlayBev
10 had the limited right to manufacture and sell certain non-alcoholic beverages,
11 including Playboy-branded energy drinks (the "License Agreement").

12 10. All expiration dates in the Playboy/PlayBev agreement extending the
13 expiration of the License Agreement (the "Second Extension Agreement") have
14 passed: (i) PlayBev's proposed reorganized debtor did not make the mandatory \$2
15 million escrow payment; (ii) PlayBev cancelled its confirmation hearing and
16 therefore did not obtain confirmation of its chapter 11 plan of reorganization; and
17 (iii) the expiration date of September 30, 2012 also has passed.

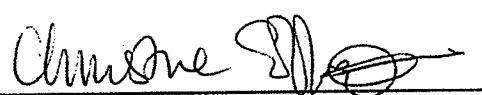
18 11. Since all possible expiration dates set forth in the Second Extension
19 Agreement have since passed, the License Agreement has expired. As such,
20 PlayBev (as well as CirTran Corporation ["CirTran"], and CirTran Beverage
21 Corporation ["CBC"], and any other sub-licensees or sub-distributors of PlayBev)
22 is not currently authorized to use the Playboy Marks (PlayBev, CirTran, and CBC
23 are collectively referred to as "Defendants"). Playboy has repeatedly advised
24 PlayBev of the expiration of the License Agreement.

25 12. The Playboy Marks are prominently displayed on Playboy Energy
26 Drink itself, which continues to be advertised, promoted, and distributed.
27 California was one of the first states in which Playboy Energy Drink was sold, and
28 Playboy Energy Drink continues to be distributed and sold in California.

1 13. Since the License Agreement has expired, Playboy's ability to further
2 develop and use this category of goods (i.e., non-alcoholic beverages, including
3 energy drinks) is hampered by Defendants' unauthorized use of the category.

4
5 I declare under penalty of perjury that the foregoing is true and correct.

6 Executed on this 10th day of December, 2012 at Beverly Hills, California.

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8 
9 Christine Coffelt

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EXHIBIT A

Int. Cl.: 32

Prior U.S. Cls.: 45, 46, and 48

United States Patent and Trademark Office

Reg. No. 3,496,428

Registered Sep. 2, 2008

TRADEMARK
PRINCIPAL REGISTER

PLAYBOY

PLAYBOY ENTERPRISES INTERNATIONAL,
INC. (DELAWARE CORPORATION)
680 N. LAKE SHORE DRIVE
CHICAGO, IL 60611

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

FOR: ENERGY DRINKS, IN CLASS 32 (U.S. CLS.
45, 46 AND 48).

SN 77-043,700, FILED 11-14-2006.

FIRST USE 4-1-2008; IN COMMERCE 4-1-2008.

KAREN BRACEY, EXAMINING ATTORNEY

Int. Cl.: 32

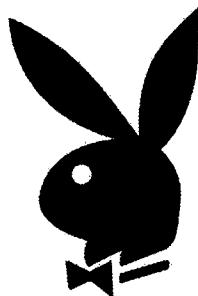
Prior U.S. Cls.: 45, 46, and 48

United States Patent and Trademark Office

Reg. No. 3,496,429

Registered Sep. 2, 2008

TRADEMARK
PRINCIPAL REGISTER



PLAYBOY ENTERPRISES INTERNATIONAL,
INC. (DELAWARE CORPORATION)
680 N. LAKE SHORE DRIVE
CHICAGO, IL 60611

FOR: ENERGY DRINKS, IN CLASS 32 (U.S. CLS.
45, 46 AND 48).

FIRST USE 4-1-2008; IN COMMERCE 4-1-2008.

THE MARK CONSISTS OF RABBIT HEAD DE-
SIGN.

SN 77-043,708, FILED 11-14-2006.

KAREN BRACEY, EXAMINING ATTORNEY